

**Indian Institute of Insolvency Professionals of ICAI
(Disciplinary Committee)**

DC. No. IIPI/DC/208/2024-25

ORDER

In the matter of Mr. Asim Kumar Bose (Respondent), under Clause 15(2)(A) of the Disciplinary Policy of IIPI read with Clause 24(1)(c) and 24(2)(d) of IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations 2016.

1.0 This order disposes of the Show Cause Notice (SCN) No. IIPI/DC/208/2024-25 dated 15-10-2024 issued to **Mr. Asim Kumar Bose** (Respondent), Flat No. 002A, Dwitiya, Uttara Prathama Dwitiya Housing Complex, Rajarhat New Town, AA- IID, North 24 Parganas, Kolkata-700157. Respondent is a professional member of the Indian Institute of Insolvency Professionals of ICAI (IIPI) and registered with IBBI with Registration No –**IBBI/IPA-001/IP-P01538/2019-20/12480**.

2.0 The Disciplinary Committee of IIPI (DC) issued SCN to the respondent, based on the reference received from Monitoring Committee of IIPI including the findings in the inspection report of Inspection Authority (IA), pertaining to assignment handled by him as an IRP/RP in the CIRP of **M/s Amricon Agrovat Private Limited**. The SCN alleged the contravention of the provisions of section 25 (2) (g) and (h), 29, 208 (2) (a) and (e) of the Insolvency and Bankruptcy Code, 2016, Regulation 13(1), 25(3) and (4), 33(4), 34, 34A, 36(1), 36A, 39A and 40B of the Insolvency Resolution Process for Corporate Persons Regulation 2016, Regulation 7(2) (a) (h) and (i) of IBBI (Insolvency Professional) Regulation, 2016, read with clauses 1, 2, 3, 5, 13, 14, 15, 16 19 and 27 of the Code of Conduct for Insolvency Professionals, specified under First Schedule of IBBI (Insolvency Professionals) Regulations, 2016, and Circular No. IP/001/2018 dated 3rd January 2018, IBBI circular No. IP/004/2018 dated 16th January, 2018 and Circular No. IP/005/2018 dated 16th January, 2018, Circular No. IBBI/IP/013/2018 dated 12th June 2018 and IBBI circular No. IBBI/CIRP/023/2019 dated 14th August 2019. The Respondent submitted his reply to the SCN vide letter dated 28-10-2024.

3.0 The DC referred the SCN, written/oral submissions of the respondent and other material available on record for disposal of the SCN in accordance with the Code and Regulations made thereunder. An opportunity for personal virtual hearing was provided to the respondent on 03-12-2024. Accordingly, on date respondent appeared before the DC, wherein the respondent reiterated the submissions made in the written reply and also made few additional submissions.

M/s Amricon Agrovat Private Limited.

4.0 Contravention- In the CIRP of the CD it is noted that initially respondent appointed Mr. Asim Maity to conduct a valuation. However, his services were not utilized and later respondent appointed Mr. Pradipto Das and Pritam Kumar Nag to conduct the valuation. It is not ascertainable as to why Mr. Maity was appointed as a valuer at the first instance when later his services were not utilized. Further under the provisions of the Code, it is apparent that professionals should be appointed by IPR/RP, on an arm's length basis however respondent did not supply sufficient documents to support the diligence which he had

exercised while appointing professionals under the Code. Also, the engagement letters provided to the IA by respondent in respect of Mr. Prodipta Das and Mr. Pritam Kumar Nag were unsigned.

- 4.1 Response of the respondent-** The respondent in his reply submitted that in the instant case, the appointments of Registered Valuers were done at an arm's length basis. The Valuers were registered with IBBI, and he had no previous experience of working with the Valuers appointed.
- 4.1.1** Respondent further submitted that Mr. Asim Maity was not assigned any valuation as he is registered as a Valuer in Plant & Machinery. Initially it was presumed by him that Amricon Agrovat Private Limited would have Plant & Machinery and hence the appointment. However, the Corporate Debtor viz. Amricon Agrovat Private Limited was left with no Plant & Machinery at the CIRP stage & hence his services could not be utilized.
- 4.1.2** Respondent further submitted that Mr. Pradipta Das and Mr. Pritam Kumar Nag were duly engaged by appointment letters (communicated by e-mail) copies of appointment letters have been sent to the Inspecting Authority on 31/01/2023.
- 4.1.3** During personal hearing respondent was asked by the DC to submit the duly signed engagement letters as the engagement letter provided by respondent to IA were not signed.
- 4.2. Findings:** An IP is a key pillar of insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 (Code). He plays many different roles, namely, Interim Resolution Professional (IRP) or Resolution Professional (RP) in a CIRP, Liquidator in liquidation processes. He is the key driver of CIRP - IRP in the initial days of CIRP and then as RP till its completion. As an IRP/RP in a CIRP, he is vested with an array of statutory and legal duties and powers. He exercises the powers of the board of directors of the corporate debtor (CD) and manages its affairs. He runs the operations of the CD as going concern, protects and preserves the value of assets of the CD and ensures compliances with all the laws applicable to the CD and the CIRP.
- 4.2.1** Respondent is a professional and he is expected to undertake all actions which are required to collect information and to take control of the assets of CD. This is the most important and primary duty and without collection of information of assets and control and custody of assets, RP cannot determine the financial position of the CD and cannot determine the availability of the assets of the CD. DC notes the submission of the respondent that initially it was presumed by him that CD would have Plant & Machinery and hence made the appointment and later he found that the CD was left with no Plant & Machinery at the CIRP stage & hence his services could not be utilized. It may be noted that the Code casts duty on the IP to carefully plan his actions and not be negligent while performing his functions and duties under the Code. It is the professional's responsibility and duty to actively and consciously perform his functions, and there should be no lapses while discharging his functions. Therefore, respondent should have undertaken utmost caution and diligence while appointing the professional under the Code, which in the present case respondent failed to do so.
- 4.2.2** DC further notes that IBBI, vide a circular dated 16th January, 2018, requires an IP to disclose his relationship, if any, with other professional(s) engaged by him. It also requires him to ensure disclosure of the relationship, if any, of the other professional(s) engaged by him

including with himself. The IP shall provide a confirmation to the effect that the appointment of every other professional has been made at arms' length relationship.

Further Clause 16 of the Code of Conduct which clearly provides that *“an insolvency professional must ensure that he maintains written contemporaneous records for any decision taken, the reason for taking the decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his decisions and actions.”*

4.2.2 From the bare reading of the above, it is apparent that professionals should be appointed on an arm's length basis. Also Code casts a duty on insolvency professional that he must ensure to maintain written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. During personal hearing respondent was asked by the DC to submit signed engagement letters in respect of appointment of Mr. Pradipta Das and Mr. Pritam Kumar Nag, however the engagement letters provided by the respondent were still unsigned.

4.2.3 Regulation 39A casts a duty on IP that he shall preserve physical as well as electronic copy of the records relating to corporate insolvency resolution process of the corporate debtor as per the record retention schedule as may be communicated by the board in consultation with the Insolvency professional agency. Thus, it is imperative to note that it is the duty of the respondent to maintain and preserve the records of the CIRP of the CD and provide to the IA as may be required, which in the present case respondent failed to do so.

5.0 Contravention: It is noted that in Form III of cost and fee disclosure, an amount of Rs. 30,000/- each paid to Ms Pradipta Das and Mr Pritam Kumar Nag in the capacity of registered valuers. However, no such cost was ratified by the CoC. Further, it is also noted that you did not provide the voting sheets to IA pertaining to the agendas that have been voted upon in the CoC meetings.

5.1. Response of the respondent-In this regard respondent in his response submitted that The Fee of Rs 30,000/- paid to Mr Pradipta Das & Mr Pritam Kumar Nag had been duly ratified by CoC in its meeting dated 17/01/2020.

5.2 Findings: DC notes that Section 5(13) of the Code defines the term “Insolvency Resolution Process Costs” (IRPC) as follows –

“5 (13). "insolvency resolution process costs" means—

(a) the amount of any interim finance and the costs incurred in raising such finance;

(b) the fees payable to any person acting as a resolution professional;

(c) any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern;

(d) any costs incurred at the expense of the Government to facilitate the insolvency resolution process; and

(e) any other costs as may be specified by the Board.”

Further, Regulation 31 of CIRP Regulations, 2016 provides that:

31. “Insolvency Resolution Process Costs under Section 5(13)(e) shall mean –

(a) amounts due to suppliers of essential goods and services under Regulation 32;

(b) amounts due to a person whose rights are prejudicially affected on account of the moratorium imposed under section 14(1)(d);

(c) expenses incurred on or by the interim resolution professional to the extent ratified under Regulation 33;
(d) expenses incurred on or by the interim resolution professional fixed under Regulation 34;
and
(e) other costs directly relating to the corporate insolvency resolution process and approved by the committee.”

The DC also notes that Regulation 33(4) of the CIRP Regulations provides:

“33(4) Costs of the interim resolution professional:

(1) ...

(4) the amount of expenses ratified by the committee shall be treated as insolvency resolution process cost.”

5.2.1 The Disciplinary Committee acknowledges the respondent's submission, regarding ratification of fees for the professionals appointed by him. However, DC finds no material on record or otherwise available with DC which could corroborate with the submissions made by respondent. The Disciplinary Committee points out the RP's duty to maintain accurate records and documents containing all facts related to CoC meetings. Regrettably, the respondent has failed to fulfil this obligation adequately. At the same time DC notes that when this lapse occurred, the implementation of the Code was in the nascent stage and the legal jurisprudence of this new insolvency regime was evolving. DC heard the respondent carefully and find no mala fide intentions on the part of the respondent. In this backdrop, DC is inclined to take a lenient view. However, the respondent is advised to exercise greater caution in maintaining proper records and ensuring compliance with all regulatory regulations in future assignments.

6.0 Contravention: As per the provisions of the Insolvency and Bankruptcy Code it is the duty of the RP to prepare information memorandum and publish expression of interest calling upon prospective resolution applicants. However, it is noted that respondent failed to adhere to these requirement as envisaged under the Code. In this regard IA sought clarification from respondent, pursuant to which he submitted to IA that the issue had been discussed with the CoC in the meeting dated 16-11-2020. Following are the extracts from the 5th CoC meeting dated 16-11-2020:

“No expression of interest was invited due to lack of information. Resolution professional could not lay hands on any records of the CD as the company’s office at 158 Lenin Sarani was deserted. No activity nor any records pertaining to CD viz. Amricorn Agrovet Private Limited was noticed there.”

Further, it was noted from the minutes of the 1st CoC meeting that respondent informed the CoC about non-cooperation from the suspended directors of the CD, wherein CoC agreed and advised respondent to take prudent steps by filing section 19(2) application against the suspended director. However, the same was not filed by respondent. Upon clarification sought by IA in this regard, respondent submitted that initially the CD did not co-operate and hence the issue was raised in the 1st CoC meeting. However, subsequently CD cooperated with all financial papers and hence no application was moved before the AA regarding non-cooperation.

In this connection, DC notes as per respondents’ submissions that upon receiving subsequent cooperation and all financial papers from the suspended management he did not file section 19 (2) application against them. Whereas from the Agenda of the 5th CoC meeting it was

noted that respondent informed the CoC that no expression of interest was invited due to lack of information. Different submissions at different occasions reflect misleading statements and *prima facie* indicate casual approach towards the timelines associated with the CIRP.

- 6.1. Response of the respondent-** In this regard respondent in his response has submitted that in the 1st CoC meeting dated 11/11/2019 CoC advised to take steps for Non-Cooperation of the Corporate Debtor. Since the Corporate Debtor forwarded all Financial Papers subsequently, no steps were taken, and no application was made to AA under Section 19 (2).
- 6.1.1.** The respondent further submitted that as per Regulation 36(A) of IBBI (Corporate Insolvency Resolution Process) Regulation 2016- The Resolution Professional shall brief particulars of the invitation for Expression of Interest in Form G— “25(g) & 25(h)- Specifies to prepare Information Memorandum in accordance With Section 29. - Invite a prospective resolution applicant, who will fulfill such criteria as may be laid down by him with the approval of CoC. Now the Resolution Professional shall brief the following particulars in Form G-
- (a) Installed capacity of main products / services
 - (b) Quantity and Value of main products / services sold in the last Financial Year (Point No. 6).
 - (c) Number of Employees / Workmen.
 - (d) Further details including the last available Financial statements (with Schedules) of two years.
- 6.1.2** Respondent further submitted that in the COC meeting dated 16/11/2020 the issue was discussed in detail, wherein it was placed-
- (i) No Expression of Interest was invited due to lack of Information.
 - (ii) Resolution Professional could not lay hands on any records of Corporate Debtor as the Company’s Office at 158 Lenin Sarani was deserted. No activity nor any records pertaining To Corporate Debtor was noticed there.
 - (iii) Although Audited Balance Sheet as on 31/03/2019 was made available but its authenticity was questionable. As per qualifications made by the Auditor the Corporate Debtor was not a Going Concern.
- 6.1.3** Respondent further submitted that as a Resolution Professional he could not go for “Expression of Interest” in form G, as basic information would be questionable. Accordingly, CoC accepted his advice and decided to go for Liquidation in the meeting dated 16/11/2020. As such no violations of the provisions of Section 25(2)(g) & (h), Section 29 & Section 208(2)(a) were made.
- 6.2. Findings:** Under the Code, RP plays a key role in resolution process of the CD, he is appointed by the Adjudicating Authority as an officer of the Court to conduct the resolution process and it is the duty of RP to conduct CIRP with integrity and accountability in the process and to take reasonable care and diligence while performing his duties which includes preparation of Information Memorandum, and publish expression of interest calling upon prospective resolution applicants, in a timely manner. He conducts the entire resolution process and assists the stakeholders to find out the best resolution plan Therefore, it becomes imperative for an IP to perform his duties with utmost care, diligence, integrity, independence, objectivity, and impartiality.

- 6.2.1** With respect to non-filing of application under section 19(2) of the Code, DC notes the submission of respondent that in the 1st CoC meeting dated 11/11/2019 CoC advised to take steps for non-cooperation of the Corporate Debtor. Since the Corporate Debtor forwarded all financial papers subsequently, no steps were taken, and no application was made to AA under Section 19 (2). DC further notes the submission of the respondent that as a Resolution Professional he informed the CoC that he could not go for “Expression of Interest” in form G, due to lack of Information as the Company’s Office was found deserted and thus no activity nor any records pertaining to Corporate Debtor was noticed there. Accordingly, CoC accepted his advice and decided to go for Liquidation in the meeting dated 16/11/2020.
- 6.2.2** It must be kept in mind that the whole insolvency resolution process under the aegis of Code deals with the distressed assets. The Code casts crucial duties and responsibilities on the Resolution Professional with the objective of effective insolvency resolution process. The Code also empowers the Adjudicating Authority to issue necessary directions in case of any difficulty faced by Resolution Professional during the CIRP. Section 19 of the Code provides that if the promoters or any other person does not provide assistance during the CIRP, application may be moved to AA for necessary directions. Apart from this, section 60(5) of the Code empowers the AA with jurisdiction to deal with any matter related to the CIRP.
- 6.2.3** With regard to the submission of respondent that he could not prepare IM and publish EoI due to lack of Information as the Company’s Office was found deserted and thus no activity nor any records pertaining to Corporate Debtor was noticed there, the DC notes that CIRP of the CD was initiated vide NCLT order dated 30-09-2019 and Liquidation order was pronounced on 07-01-2021. Despite the fact the respondent had handled the CIR Process of the CD for about 270 days, he failed to approach AA under section 19(2), for appropriate directions, in case of facing non-cooperation from the CD. As per the submission of respondent, even if respondent was aware of the position of the CD that the CD was not a going concern and based upon his recommendation CoC in its meeting dated 16-11-2020 decided to go for Liquidation, the respondent could have apprised the AA or CoC for not pursuing the CIRP, and instead made a recommendation for early liquidation.
- 6.2.4** The DC finds that in the instant matter, the respondent did not make any consistent or material efforts in consonance of the statutory duties under sections 18(1) and 25(1) (a) and (h) of the Code. Even in his reply to the SCN or submissions to the DC during personal hearing, the respondent had not provided any document to prove otherwise. Accordingly, the DC has drawn adverse inference and concluded that the respondent failed to adhere to his obligations and compromised with the explicit provisions of the Code and regulations provided therein.
- 7.0 Contravention:** Para (2) of IBBI Circular No. IP/001/2018 dated 3rd January 2018, directed that *an Insolvency Professional in all his communications, whether by way of public announcement or otherwise to a stakeholder or to an authority, an insolvency professional shall prominently state: (i) his name, address and email, as registered with the IBBI, (ii) his Registration Number as an insolvency professional granted by the IBBI, and (iii) the capacity in which he is communicating.* However, it is noted that respondent did not use the required credentials in his email communication (such as address, registration no. and validity of AFA) held with concerned stakeholders, despite clear directions issued by IBBI in this regard.

7.1. Response of the respondent: The respondent in this connection submitted that although in Public Announcement he had duly stated- Name, Address, Email & Registration Number as an Insolvency Professional granted by IBBI; the same was not given in his email communication. The omission is regretted.s

7.2. Findings: The Board (IBBI) issued directions to IPs vide Circular dated 03-01-2018 with subject 'Insolvency professional to use registration number and registered address in all their communications'. The Circular provides, "*It is hereby directed that in all his communications, whether by way of public announcement or otherwise to a stakeholder or to an authority, an insolvency professional shall prominently state: (i) his name, address and email, as registered with the IBBI, (ii) his Registration Number as an insolvency professional granted by the IBBI, and (iii) the capacity in which he is communicating (Example: As Interim Resolution Professional of XYZ Limited, As Resolution Professional of ABC Limited, etc.).*

3. Additionally, an insolvency professional may use a process (Example: CIRP, Liquidation, etc.) specific address and email in its communications, if he considers it necessary subject to the conditions that: (i) the process specific address and email are in addition to the details required in Para 2 above, and (ii) the insolvency professional continues to service the process specific address and email for at least six months from conclusion of his role in the process."

7.2.1 An insolvency professional is bestowed with myriad duties. An insolvency professional is expected to exercise due diligence while performing his duties. His diligence should be reflected not only during the corporate insolvency resolution process but also while fulfilling any obligation as a professional member under the Code.

7.2.2 DC notes the submission of the respondent that in Public Announcement he had duly stated- Name, Address, Email & Registration Number as an Insolvency Professional granted by IBBI. However, the same was not given in his email communication and regretted for such omission. DC also notes that at the time when this lapse occurred, the implementation of the Code was in the nascent stage and the legal jurisprudence of this new insolvency regime was evolving. In this backdrop, DC is inclined to take a lenient view. However, DC advises the respondent to be more vigilant in future, while making any communications.

8.0 Contravention: Para (3) of IBBI circular No. IP/004/2018 dated 16th January, 2018 provides that "*3. In view of the above, it is clarified that an insolvency professional shall render services for a fee which is a reasonable reflection of his work, raise bills / invoices in his name towards such fees, and such fees shall be paid to his bank account. Any payment of fees for the services of an insolvency professional to any person other than the insolvency professional shall not form part of the insolvency resolution process cost...*"

Further, Para 6 (d) of Circular No. IBBI/IP/013/2018 dated 12th June 2018, provides that, the IP is directed to ensure that:

"..6 (a)...

(d) written contemporaneous records for incurring or agreeing to incur any fee or other expense are maintained;.."

Further, Clause 16 of the Code of Conduct clearly provides that "*An insolvency professional must ensure that he maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision.*

This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his decisions and actions.”

Based on the documents submitted by respondent to IA it was observed that proper invoices with serial number were not raised by respondent from February 2020 to November 2020.

8.1. Response of the respondent: In respect of this allegation, the respondent submitted that Bills have been raised month wise. Payments released by SBI (Financial Creditor with 100% share) duly deducting TDS & hence no intention of Tax issues.

8.2. Findings: The role of an IP encompasses a wide range of functions, and it is incumbent upon an IP, under section 208(2) of the Code, to take reasonable care and diligence while performing his functions and duties. Section 208(2)(a) and (e) of the Code reads as under:

“208. Functions and obligations of insolvency professionals.

(2) Every insolvency professional shall abide by the following code of conduct: –

(a) to take reasonable care and diligence while performing his duties; ...

(e) to perform his functions in such manner and subject to such conditions as may be specified.”

8.2.1 It is the duty of the IP to ensure that his conduct would not undermine the credibility of the process. Therefore, while granting certificate of registration to an IP they are subjected to follow the Code of Conduct specified in the First Schedule to the IP Regulations. In this regard, regulation 7(2) (a) and (h) of the IP Regulations provides as follows:

“7. Certificate of registration.

(2) The registration shall be subject to the conditions that the insolvency professional shall –

(a) at all times abide by the Code, rules, regulations, and guidelines thereunder and the bye-laws of the insolvency professional agency with which he is enrolled; ...

(h) abide by the Code of Conduct specified in the First Schedule to these Regulations; ...”

8.2.2 Further, vide Circular No. IP/004/2018 dated 16.01.2018, the IBBI has clarified that:

“.....an insolvency professional shall render services for a fee which is a reasonable reflection of his work, raise bills / invoices in his name towards such fees, and such fees shall be paid to his bank account...”

8.2.3 DC notes the submission that the Bills have been raised month wise. Payments released by SBI (Financial Creditor with 100% share) duly deducting TDS & hence no intention of Tax evasion.

8.2.4 Apart from the foregoing provision, DC notes clause 16 of the Code of Conduct specified under First Schedule of IBBI (Insolvency Professionals) Regulations, 2016, which casts a duty on insolvency professional that he must ensure that he maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision.

8.2.5 Further Regulation 39A casts a duty on an IP that he shall preserve physical as well as electronic copy of the records relating to corporate insolvency resolution process of the corporate debtor as per the record retention schedule as may be communicated by the board in

consultation with the Insolvency professional agency. Thus, it is imperative to note that it is the duty of the respondent to maintain and preserve the records of the CIRP of the CD and provide to the IA as may be required, which in the present case respondent failed to do so.

9.0 Contravention: In the CIRP of M/s Amricon Agrovet Private Limited it is noted that Form CIRP 5 and 6 were not filed by respondent.

9.1. Submissions made by respondent: Respondent in this regard submitted that he accepts that filing of forms pertaining to CIRP process is the responsibility of an IP and omissions on his part are unintentional.

9.2. Findings: The DC notes that IBBI Circular No. IBBI/CIRP/023/2019 dated 14.08.2019 on 'Filing of Forms for the purpose of monitoring corporate insolvency resolution processes and performance of insolvency professionals under the Insolvency and Bankruptcy Code, 2016 and the regulations made thereunder', mandates that, an IP shall file electronically the Forms along with relevant information and records, in respect of all CIRPs, both closed and ongoing, conducted by him and the Forms along with relevant information and records by the timelines as specified. However, it is observed that respondent failed to file CIRP 5 and 6 in the CIRP M/s Amricon Agrovet Private Limited. Such non-compliance defeats the whole purpose of having the timelines for disclosures whose purpose is to make the process transparent. Hence the DC upholds the above contraventions.

10.0 Contravention: Para (3) of IBBI Circular No. IP/005/2018 dated 16th January,2018, requires that an insolvency professional shall disclose his relationship, if any, with (i) the Corporate Debtor, (ii) other Professional(s) engaged by him, (iii) Financial Creditor(s), (iv) Interim Finance Provider(s), and (v) Prospective Resolution Applicant(s) to the Insolvency Professional Agency of which he is a member, within three days from the event.

Further, Regulation 13(1) of the Insolvency Resolution Process for Corporate Persons Regulation 2016 provides that *"The interim resolution professional or the resolution professional, as the case may be, shall verify every claim, as on the insolvency commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it."*

Further Clause 15 of the Code of Conduct as specified in the First Schedule of IP Regulations (Code of Conduct) provides that *"An insolvency professional must make efforts to ensure that all communication to the stakeholders, whether in the form of notices, reports, updates, directions, or clarifications, is made well in advance and in a manner which is simple, clear, and easily understood by the recipients."*

In view of the foregoing provisions, the following was alleged:

- (a) Delay in filing various relationship disclosures with the professionals appointed by him.
- (b) Delay in verification of claims.

(c) Communication made in the form of notices and agenda, while convening COC meetings is not simple, clear and easily understood.

10.1 Response of the respondent: Respondent in this regard has submitted that:

- (a) There have been delays in submission of relationship disclosures from 3 days to 10 days. I was handling my 1st case & hence the timely submission was overlooked. The same may be condoned.
- (b) The delay in verification of the claim was due to late submissions of the clarifications by the Creditors although claims were received within the due date of submission as per Public Announcement.
- (c) Communication regarding notices for the CoC meetings have been very clear wherein place, date & time along with Agenda duly given.

10.2. Findings: DC notes the submissions made by respondent, in respect of contraventions, as alleged in the SCN. DC notes that there are delays in filing disclosures and verification of claims on the part of the respondent. At the same time DC notes that when these lapses occurred, the implementation of the Code was in the nascent stage and the legal jurisprudence of this new insolvency regime was evolving. The DC also notes that no mala fide intent or lasting consequences have been made. Hence, considering the facts and circumstances of the case, DC takes a lenient view. However, respondent is cautioned to be more careful in future while fulfilling any obligation under the Code.

Order

11.0 The whole CIRP hinges on the effective functioning of its duties by the IP, entrusted on him/her by the Code and regulations. An IP has a larger responsibility, owed towards the whole insolvency ecosystem. The Code of Conduct as prescribed in the IBBI (Insolvency Professional) Regulations acts as a charter of professional norms which establishes the credibility of the whole process. The acts of Insolvency Professional should therefore be in consonance with the letter and spirit of the Code, Rules and Regulations made thereunder.

12.0 In view of the submissions made by the respondent, and material available on record, DC notes that the respondent has conducted the CIRPs of the CDs in a manner far from being satisfactory without having due regard for the provisions of the Code and the regulations made thereunder. Keeping in view the nature of contraventions as detailed above, in exercise of the powers conferred under Regulation 24(2) (d) of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 read with clause 15(2)(A) of the Disciplinary Policy of IIIPI, DC hereby disposes of the SCN with the following directions.

- (i) Considering the lapses, the DC imposes a penalty of Rupees One Lakh (Rs. 1,00,000/-) on the respondent, to be deposited by way of demand draft payable in favour of the Indian Institute of Insolvency Professionals of ICAI (IIIPI) within 30 days of the issue of this order. IIIPI shall in turn deposit the said penalty amount in the Insolvency and Bankruptcy Fund.

- (ii) That the respondent should take reasonable care and be extremely careful, diligent while performing his duties under the Code.
- (iii) That respondent should maintain and upgrade his professional knowledge and skills to render competent professional services.
- (iv) That respondent must adhere to the time limits prescribed in the Code and the rules, regulations, and guidelines thereunder for insolvency resolution, liquidation, or bankruptcy process, as the case may be, and must carefully plan his actions, and promptly communicate with all stakeholders involved for the timely discharge of her duties.
- (v) That respondent must ensure that he maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of its decisions and actions.

13.0 This order shall come into force from the date of its issue.

14.0 A copy of this order shall be forwarded to the Insolvency and Bankruptcy Board of India.

Date: 21-01-2025

Place: Delhi

CERTIFIED TRUE COPY

Sd/-

Mr. Satish Marathe, (Chairman)

Mr. Rajvir Singh (member)

CA. Rahul Madan, (Member)

Copy to:

1. Insolvency and Bankruptcy Board of India.
2. Indian Institute of Insolvency Professionals of ICAI- Members Record.